

Date: 9 February, 1990

To: D. Wayne Hedberg - State of Utah
Dept. of Natural Resources, Div. of Oil, Gas, & Mining
355 West North Temple, 3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



From: Roy Benson - Division Manager
Keigley Quarry
Box 20-B, RFD #1
Santaquin, Utah 84655

Subject: Combine all operations in the Iron Mountain area into one.

Dear Mr. Hedberg:

The attached documents is an attempt, as you suggested, to combine all of our operations in the Iron Mountain area into one. The areas involved are the Burke Stockpile, Burke Loadout, Burke Pit, Iron Mountain, Chesapeak Excellsior, and Tip Top. Some areas are currently covered by bond, some are not.

The narrative is an attempt to explain particular circumstances involved at each location, and the situation involved at each area.

The accompanying maps U.S.G.S. 7.5 minute shows the contours and the general location with the 1000 scale map showing the claims involved and the road, utilities, etc.

This document does not address the Mountain Lion area or the newly acquired U.I.I. property which is about 6 miles away from Iron Mountain.

Sincerely,

Roy Benson - Division Manager
Keigley Quarry

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DIVISION OF
OIL, GAS & MINING

Date: 8 February, 1990

To: D. Wayne Hedberg - State Of Utah
Dept. of Natural Resources, Div. of Oil, Gas, & Mining
355 West North Temple, 3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



From: Roy Benson - Division Manager
Keigley Quarry
Box 20-B, RFD #1
Santaquin, Utah 84655

Subject: Narrative for Iron Mountain mining areas

Dear Mr. Hedberg:

The following mining areas are currently being operated by B.M. & T. or will be in the near future. At the request of the D.O.G.M. this is an attempt to lump the six areas into one permit. The Iron Mountain area and the Burke Fines area are currently covered by a reclamation bond. Each area will, for explanation, be discussed separately.

*aka 27 acres of
"BLACKHAWK" FINES??*

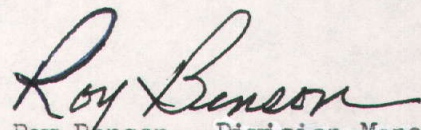
- (1) Iron Mountain area was originally approved as a preparation and loadout point with the ore being upgraded by magnetic separators from the low grade dump. This was strictly a crushing, concentrating, and loadout point and the reject materials being set aside in piles until it was either sold as road material or reclaimed. The area still has basically the same use even after the lowgrade dump processing has been completed. Being the central location to haul ore from the other area, that will be discussed in this narrative. This area also is used for the wet magnetic separation of $-\frac{1}{4}$ ore that did not meet specs from the processing of the lowgrade ore pile. Water is pumped from the Blackhawk Pit through the processing plant then returned to the nearby Blowout Pit through a series of catch basins. It will be necessary to keep this area active until all readily available ore from the surrounding area is processed and shipped. This area covers approximately 12 acres.

- (2) The Burke Fines, Burke Loadout, and Burke Pit area. These areas will be considered as one with the Burke Fines & Loadout already being covered by a bond. The Burke Pit area was activated to secure approx. 60,000 NT of iron ore and the new disturbance consisted of clearing the road where the pre-act rubble had blocked the road in the interior of the pit. This ore will be depleted and the road will be diked and access to the pit area will be eliminated once again. This will occur in March, 1990. The Burke Loadout will undoubtedly be used again and as such should be considered active. The Burke Fines area is currently inactive and has been revegetated without much success, but, in all likelihood will be reactivated to reclaim the lowgrade stockpile directly beneath the fines area. This area is all pre-act with the lowgrade dump being on top of a stripping (waste) dump. If activation does occur the stockpile will be separated just like the Iron Mountain pile that was discussed in item number one and should take 5 to 6 years to process. 27 acres.
- (3) Chesapeak/Excellsiar. This material was a fissure type ore and before mining commenced formed outcrops on the surface. The road on the Chesapeak follows along a linear outcrop and is part of the current haulage road on that claim which terminates on the Excellsiar claim. The Excellsiar has developed into an orebody almost twice what was originally anticipated. It continues to extend down the north slope of the ravine that had about a 75 deg. slope on the original ground topog, which makes mining very difficult. We are continuing to mine down this slope at the present time. The waste material, most of which is dumped on the top, will be dozed down the slope as suggested to form a rubble seed bed. The topsoil that was obtained when mining started has been stockpiled but is fairly insignificant.

We could be reaching depletion of this ore body by the 4th quarter, 1990. Due to the sharp decline of the original ground topog we may need a variance on the pit wall slope. Reclamation will be completed as we retreat from the area. 7.7 acres.

- (4) Tip Top area is scheduled to be mined after the completion of the Chesapeak & Excellsior and is a highgrade ore on the top of Iron Mountain. The mountain consists of mansonite with the fissure magnetite outcrop. The vegetation on the mountain consists mainly of pinion, juniper, mahogany, and a small amount of oak brush without any recoverable topsoil. The road extends on to the top from the F.A.A. station road and will service radio towers as the permanent road. The majority of the road consists of improvement to the existing permanent F.A.A. road with the extension from that road onto the Chesapeak & Excellsior claims. This section will require reclamation along with the actual mined out areas. 2.8 acres.

Sincerely,

A handwritten signature in cursive script that reads "Roy Benson".

Roy Benson - Division Manager
Keigley Quarry